

THE WHITE HOUSE

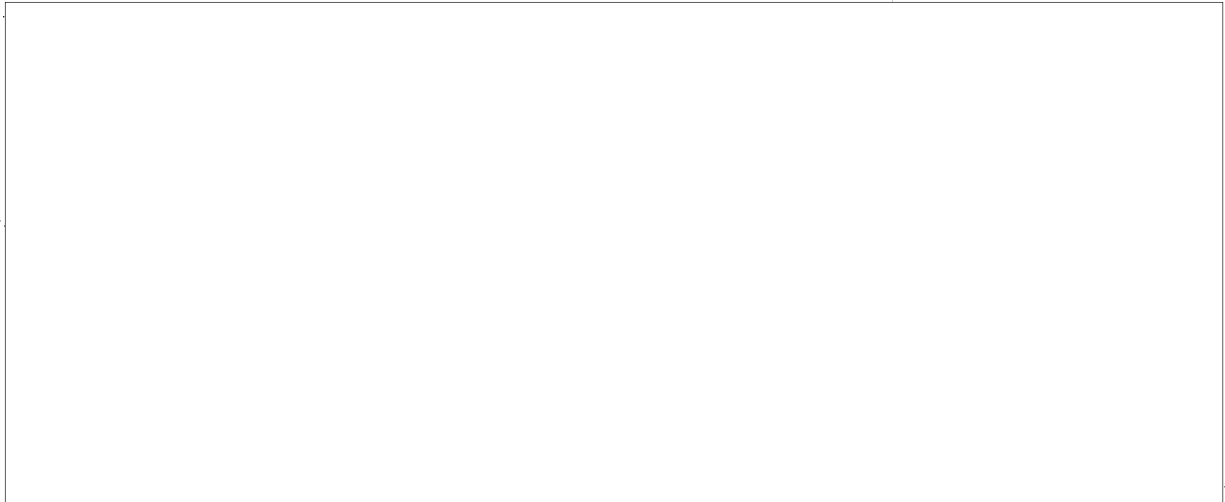
WASHINGTON

TOP SECRET/SENSITIVE

February 17, 1969

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Situation in Peru




MORI C05075275

State Dept. review
completed

ON-FILE NSC RELEASE
INSTRUCTIONS APPLY


Another event which has helped to crystallize opposition against Velasco is the reportedly disappointing outcome of the recent Soviet Trade Mission to Lima which departed Peru without providing any real assurances of Soviet trade or aid support.

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Montagne has remained extremely cautious, however. Moreover, at their last confrontation in January, Montagne lacked either the will or the muscle to oust Velasco. At that time, the armored unit of the Army garrison in Lima -  -- stuck with Velasco.

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consider overt measures designed to impress upon Velasco and the Peruvian Government the inevitable consequences of the mandatory application of the Hickenlooper Amendment and the Sugar Act of 1948 unless some form of meaningful dialogue can begin promptly between our two governments.

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Perhaps our best hope for impressing Velasco and the Peruvian Government rests with the dispatch of a special emissary thereby affording Velasco a face-saving formula for the beginning of a dialogue. This course of action also involves high risks, including a misreading of our motives as weakness by Velasco or other Latin American republics or a distortion of the visit by Velasco to support complaints that he is being bullied by the U. S. Either turn could impinge unfavorably on the prospects of a coup. Thus, the dispatch of a special emissary should only be undertaken after Ambassador Jones has had an opportunity to lay the necessary foundation.

I will discuss these risks and the timing of such a mission with Secretary Rogers today with the view towards having firm recommendations for your approval by Wednesday.

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